

TO: ACCOMMODATIONS TAX FUND APPLICANTS

This application package includes the following:

1. Guideline for Applications
2. Copy of Accommodations Tax Laws
3. Policy on the Interpretation of "Tourism Related Expenditures"
4. Accommodations Tax Funds Application
5. Accommodations Tax Advisory Committee Members
6. Announcement of Application Preparation Workshop
7. Meeting Schedule

Application for 2007 Accommodations Tax Funds must be submitted, in complete form, to the Town of Hilton Head Island no later than 3:00 p.m. on October 4, 2006.

Applications will first be subjected to Committee review for compliance with the law as to eligibility. For those applications passing the initial review, the applicants will be asked to make personal presentations at Committee hearings. These presentations are **tentatively** scheduled for **November 20, November 21, and November 22, 2006**. All applicant presentations will be held in Council Chambers at Town Hall. Each applicant will be notified of the time scheduled for its presentation.

The Committee requests each applicant to adhere strictly to the guidelines and requirements provided herewith. **Failure to correctly complete the application in its entirety, including the necessary board resolutions and financial data, will disqualify what may be an otherwise qualifying application.**

A workshop will be held for persons intending to file applications for Accommodations Tax funds on September 18, 2006, at 10:00 a.m. in Council Chambers at Town Hall. Several members of the Committee will be present to answer questions and assist applicants in filling out applications correctly. **Sign up for the workshop when you pick up your application package at the front desk or call 341-4600.**

**ACCOMMODATIONS TAX ADVISORY COMMITTEE
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

GUIDELINES FOR APPLICATIONS FOR ACCOMMODATIONS TAX FUNDS

A. INTRODUCTION

1. As applicable to Hilton Head Island, the State law (see copy attached and 6-4-10 in particular) specifies three groups in general which are entitled to receive bed tax funds after other mandated distributions have been made from the total funds available:

· Town government: "Based on the estimated percentage of costs directly attributed to tourists," Town expenditures for "the criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities." See 6-4-10(b) and (b.4).

For towns, such as Hilton Head Island, with a high concentration of tourism activity, bed tax also may be used by the Town to provide additional services "to promote tourism and enlarge its economic benefits through advertising, promotion and providing those facilities and services which enhance the ability of the Town to attract and provide for tourists" beyond those services normally provided by the Town.

Qualified groups advertising and promoting tourism in order to develop and increase tourism. See 6-4-10(b.1).

Qualified sponsors of arts and cultural events and for construction, maintenance and operation of facilities for civic and cultural activities. See 6-4-10(b.2 and b.3).

Other precisely specified projects such as parks. See 6-4-10(b.5-8).

2. The law requires that the funds be spent "primarily in the geographical area ... (of Hilton Head Island)." See 6-4-10(d). Therefore, the committee will not look with favor on applications for funds to be spent outside the Town or for activities or enterprises conducted outside the Town.

3. The spirit of the law is to discourage the use of bed tax funds to retire old debt or past unpaid operating expenses.

4. Applications must be filed by the publicly announced filing deadline, except that the Committee may, for extraordinary or emergency reasons which prevent timely filing, extend the filing deadline; provided, however, that the date for obtaining the application form shall not be extended except by special Committee action.

B. NOTES TO THE APPLICATION

1. The application form (attached) lists, in order, questions that must be addressed and critical information that is sought by the Committee in each application.

2. Application answers must be typewritten, should be brief and to the point, but need not be limited only by the amount of space on the sample form. No item should be left blank. If a question does not apply to your particular application, then so note with the phrase, "Does not apply."

3. A line-item project budget, and the current balance sheet and financial statement(s) must be supplied by the sponsoring organization, group or individual and appended to the application. These need not be certified as audited, but must be attested to as the organization's official statement of financial condition.

- a) A typical line-item budget for the project for which you will seek funds will separately list income and expenses. For example:

Income (revenue received from ticket sales, grants, sponsors, sales of items, and any other related income revenue);

Expenses (salaries, cost of merchandise, supplies, printing costs, postage, advertising, and other related expenses:)

b) A typical "current balance sheet" means your organization's most recent fiscal year reflecting the assets and liabilities of your organization.
reflecting the assets and liabilities of your organization.

- c) A typical "financial statement" means an accounting statement of all income and expenses (profit and loss) of your organization for the most recent fiscal year.

4. A financial history must support any claims of past income or expense performance used as a basis for financial viability of the project.

5. IF YOU HAVE RECEIVED PREVIOUS ATAC FUNDING, YOU SHOULD BE PREPARED AT THE HEARING TO DISCUSS HOW YOU SPENT THE FUNDS AND WHETHER OR NOT YOU ACCOMPLISHED THE OBJECT(S) FOR WHICH YOU SOUGHT THE FUNDS.

C. THE APPLICATION

1. **Project Name.** Give the name of the project. If it has not been named, create a title which conveys its purpose, goal or essence of the work required, e.g., "Highway Beautification."

2. Organization/Sponsor.

- a. Requests for funding must be submitted by a non-profit sponsoring organization. Applications cannot be accepted from individuals, for-profit entities or ad-hoc committees. Proof of non-profit status must accompany the application.
- b. Organization applicants must append to the application a copy of official minutes wherein the sponsoring organization approves of the project and commits the organization to financial responsibility for carrying it out to the stage of completion contemplated in the application, should funding be approved.
- c. The full name, mailing address and telephone number of a primary and a secondary "contact" person, given the authority and responsibility to represent the application before the Committee, must be included on both the title page of the application and in this section.

3. Description of Project.

- a. Describe the project in its totality, or at completion of presently known ultimate stage, and/or the portion, phase or section of the total project for which funding is now being applied.
- b. The description must state what is intended to be accomplished by Accommodation Tax funds, the source and amount of other funds to be committed to the project, and the individuals, organizations or body which will assume responsibility for the project.
- c. Describe coordination that has been completed or will be needed with other organizations, if they engage in similar activities, or if they will be expected to be the beneficiary of this project.
- d. The "Impact on or Benefit to Tourism" statement is to be supported by data and other records or history insofar as possible.
- e. Simple projects need only indicate the date the project will be initiated and the expected completion date.
- f. Complex projects must provide a task time budget indicating when each major portion is expected to be started and completed. If certain portions of the task are dependent upon other factors, (such as seasons, weather, commitment of the other funds, etc.), explain.
- g. If permits from any level of government, or prior approval from any quasi-governmental body (such as architectural review body), or outside organization or individual is required, so state, and state when and how such approval can be expected to be obtained.
- h. "Additional Comments" may include statements from organizations or individuals supporting the need for the projects, its purposes or goals-statements from professional advisors or consultants supporting any of the plans or data provided in the application; any other statement or document which is germane to the application.

4. Cost of Project.

- a. Regardless of the cost of a project, each application will be given the same close scrutiny as to how the funds are to be used.
- b. List each source and amount of funds required to complete the project, including a source of additional funds if project is not completed within the cost estimate given in the application.
- c. List the amount of funding for the project which will come specifically from the application sponsor, organization(s) or individual(s), including the source and value of any "in-kind" contribution of goods or services which will be contributed to completing the project.
- d. Prior Recipient. Recipient of Accommodations Tax Funds must provide a description of how the funds were used.

5. Signature. Applications must be signed by a current officer of the applicant organization given authority to sign contracts by the organization's bylaws, or by the sponsoring individual. Title or position, if any, should be appended below the signature, along with mailing address and both office and home telephone numbers.

D. PROPER FORM OF THE SUBMISSION

1. A title page should be prepared which provide only the following:
 - a. Name of the project.
 - b. Sponsor's name, mailing address and local telephone numbers.
 - c. "Contact" person's name, mailing address and local telephone numbers.
 - d. Amount of funds requested (and form of funding, if in any other than one-time cash grant).
 - e. Date of application.
2. Extensive presentations should include a Table of Contents.
3. The body of the presentation should follow the sample application form explained at the workshop. Graphs, illustrations or photos should be placed in close juxtaposition with the specific section or question, which they support.
4. Supporting documents and data are to be appended at the back of the presentation.

ARTICLE 5.

LOCAL ACCOMMODATIONS TAX

SECTION 6-1-500. Short title.

This article may be cited as the “Local Accommodations Tax Act”.

SECTION 6-1-510. Definitions.

As used in this article:

- (1) “Local accommodations tax” means a tax on the gross proceeds derived from the rental or charges for accommodations furnished to transients as provided in Section 12-36-920(A) and which is imposed on every person engaged or continuing within the jurisdiction of the imposing local governmental body in the business of furnishing accommodations to transients for consideration.
- (2) “Local governing body” means the governing body of a county or municipality.
- (3) “Positive majority” means a vote for adoption by the majority of the members of the entire governing body, whether present or not. However, if there is a vacancy in the membership of the governing body, a positive majority vote of the entire governing body as constituted on the date of the final vote on the imposition is required.

SECTION 6-1-520. Imposition of local accommodations tax.

(A) A local governing body may impose, by ordinance, a local accommodations tax, not to exceed three percent. However, an ordinance imposing the local accommodations tax must be adopted by a positive majority vote. The governing body of a county may not impose a local accommodations tax in excess of one and one-half percent within the boundaries of a municipality without the consent, by resolution, of the appropriate municipal governing body.

(B) All proceeds from a local accommodations tax must be kept in a separate fund segregated from the imposing entity’s general fund. All interest generated by the local accommodations tax fund must be credited to the local accommodations tax fund.

SECTION 6-1-530. Use of revenue from local accommodations tax.

(A) The revenue generated by the local accommodations tax must be used exclusively for the following purposes:

- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;
- (2) tourism-related cultural, recreational, or historic facilities;
- (3) beach access, renourishment, or other tourism-related lands and water access;
- (4) highways, roads, streets, and bridges providing access to tourist destinations;
- (5) advertisements and promotions related to tourism development; or
- (6) water and sewer infrastructure to serve tourism-related demand.

(B) In a county in which at least nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, the revenues of the local accommodations tax authorized in this article may also be used for the operation and maintenance of those items provided in (A)(1) through (6) including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

SECTION 6-1-540. Cumulative rate of local accommodations tax.

The cumulative rate of county and municipal local accommodations taxes for any portion of the county area may not exceed three percent, unless the cumulative total of such taxes were in excess of three percent prior to December 31, 1996, in which case the cumulative rate may not exceed the rate that was imposed as of December 31, 1996.

SECTION 6-1-550. Local accommodations tax revenue upon annexation.

In an area of the county where the county has imposed a local accommodations tax that is annexed by a municipality, the municipality must receive only that portion of the revenue generated in excess of the county local accommodations tax revenue for the previous twelve months in the area annexed.

SECTION 6-1-560. Real estate agents required to report when rental property listing dropped.

Real estate agents, brokers, corporations, or listing services required to remit taxes under this section must notify the appropriate local governmental entity or entities if rental property, previously listed by them, is dropped from their listings.

SECTION 6-1-570. Remitting tax to local governing body; frequency determined by estimated average amounts.

The tax provided for in this article must be remitted to the local governing body on a monthly basis when the estimated amount of average tax is more than fifty dollars a month, on a quarterly basis when the estimated amount of average tax is twenty-five dollars to fifty dollars a month, and on an annual basis when the estimated amount of average tax is less than twenty-five dollars a month.

ARTICLE 7.

LOCAL HOSPITALITY TAX

SECTION 6-1-700. Short title.

This article may be cited as the “Local Hospitality Tax Act”.

SECTION 6-1-710. Definitions.

As used in the article:

- (1) “Local governing body” means the governing body of a county or municipality.
- (2) “Local hospitality tax” is a tax on the sales of prepared meals and beverages sold in establishments or sales of prepared meals and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer, or wine.
- (3) “Positive majority” means a vote for adoption by the majority of the members of the entire governing body, whether present or not. However, if there is a vacancy in the membership of the governing body, a positive majority vote of the entire governing body as constituted on the date of the final vote on the imposition is required.

SECTION 6-1-720. Imposition of local hospitality tax.

(A) A local governing body may impose, by ordinance, a local hospitality tax not to exceed two percent of the charges for food and beverages. However, an ordinance imposing the local hospitality tax must be adopted by a positive majority vote. The governing body of a county may not impose a local hospitality tax in excess of one percent within the boundaries of a municipality without the consent, by resolution, of the appropriate municipal governing body.

(B) All proceeds from a local hospitality tax must be kept in a separate fund segregated from the imposing entity's general fund. All interest generated by the local hospitality tax fund must be credited to the local hospitality tax fund.

SECTION 6-1-730. Use of revenue from local hospitality tax.

(A) The revenue generated by the hospitality tax must be used exclusively for the following purposes:

(1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;

(2) tourism-related cultural, recreational, or historic facilities;

(3) beach access and renourishment;

(4) highways, roads, streets, and bridges providing access to tourist destinations;

(5) advertisements and promotions related to tourism development; or

(6) water and sewer infrastructure to serve tourism-related demand.

(B) In a county in which at least nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, the revenues of the hospitality tax authorized in this article may be used for the operation and maintenance of those items provided in (A)(1) through (6) including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

SECTION 6-1-740. Cumulative rate of local hospitality tax.

The cumulative rate of county and municipal hospitality taxes for any portion of the county area may not exceed two percent, unless the cumulative total of such taxes was in excess of two percent or were authorized to be in excess of two percent prior to December 31, 1996, in which case the cumulative rate may not exceed the rate that was imposed or adopted as of December 31, 1996.

SECTION 6-1-750. Local hospitality tax revenue upon annexation.

In an area of the county where the county has imposed a local hospitality tax that is annexed by a municipality, the municipality must receive only that portion of the revenue generated in excess of the county local hospitality tax revenue for the previous twelve months in the area annexed.

SECTION 6-1-760. Ordinances prior to March 15, 1997; calculation; revenue.

Notwithstanding any provision of this article, any ordinance enacted by county or municipality prior to March 15, 1997, imposing an accommodations fee which does not exceed the three percent maximum cumulative rate prescribed in Section 6-1-540, is calculated upon a base consistent with Section 6-1-510(1), and the revenue from which is used for the purposes enumerated in Section 6-1-530, remains authorized and effective after the effective date of this section and the enacting county or municipality is authorized to issue bonds, pursuant to Article X, Section 14(10) of the Constitution of this State, utilizing the procedures of Section 4-29-68, for the purposes enumerated in Section 6-1-530, and to retire such debt using the proceeds of such an accommodations fee ordinance and the pledge of such other nontax revenues as may be available for those purposes.

SECTION 6-1-770. Remitting tax to local governing body; frequency determined by estimated average amounts.

The tax provided for in this article must be remitted to the local governing body on a monthly basis when the estimated amount of average tax is more than fifty dollars a month, on a quarterly basis when the estimated amount of average tax is twenty-five dollars to fifty dollars a month, and on an annual basis when the estimated amount of average tax is less than twenty-five dollars a month.

CHAPTER 4.

ALLOCATION OF ACCOMMODATIONS TAX REVENUES

SECTION 6-4-5. Definitions.

As used in this chapter:

- (1) "County area" means a county and municipalities within the geographical boundaries of the county.
- (2) "Cultural", as it applies to members of advisory committees in Section 6-4-25, means persons actively involved and familiar with the cultural community of the area including, but not limited to, the arts, historical preservation, museums, and festivals.
- (3) "Hospitality", as it applies to members of the committees in item (2), means persons directly involved in the service segment of the travel and tourism industry including, but not limited to, businesses that primarily serve visitors such as lodging facilities, restaurants, attractions, recreational amenities, transportation facilities and services, and travel information and promotion entities.
- (4) "Travel" and "tourism" mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work.

SECTION 6-4-10. Allocation to general fund; special fund for tourism; management and use of special fund.

The funds received by a municipality or a county in county areas collecting more than fifty thousand dollars from the local accommodations tax provided in Section 12-36-2630(3) must be allocated in the following manner:

- (1) The first twenty-five thousand dollars must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.
- (2) Five percent of the balance must be allocated to the general fund of the municipality or county and is exempt from all other requirements of this chapter.
- (3) Thirty percent of the balance must be allocated to a special fund and used for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. To manage and direct the expenditure of these tourism promotion funds, the municipality or county shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program. If no organization exists the municipality or county shall create an organization with the same membership standard in Section 6-4-25. To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program. Immediately upon an allocation to the special fund, a municipality or county shall distribute the tourism promotion funds to the organizations selected or created to receive them. Before the beginning of each fiscal year, an organization receiving funds from the accommodations tax from a municipality or county shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the municipality or county which distributed them.

(4)(a) The remaining balance plus earned interest received by a municipality or county must be allocated to a special fund and used for tourism-related expenditures. This section does not prohibit a municipality or county from using accommodations tax general fund revenues for tourism-related expenditures.

(b) The funds received by a county or municipality which has a high concentration of tourism activity may be used to provide additional county and municipal services including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as the continual promotion of tourism. The funds must not be used as an additional source of revenue to provide services normally provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide for tourists.

“Tourism-related expenditures” include:

1. advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;
2. promotion of the arts and cultural events;
3. construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;
4. the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;
5. public facilities such as restrooms, dressing rooms, parks, and parking lots;
6. tourist shuttle transportation;
7. control and repair of waterfront erosion;
8. operating visitor information centers.

(c) Allocations to the special fund must be spent by the municipality or county within two years of receipt. If the allocations are not spent within two years, the municipality or county is subject to the provisions of Section 6-4-30(6). However, the time limit may be extended upon the recommendation of the county or municipality and approval of the South Carolina Accommodations Tax Oversight Committee in Section 6-4-30. An extension must include provisions that funds be committed for a specific project or program.

(d) In the expenditure of these funds, counties and municipalities are required to promote tourism and make tourism-related expenditures primarily in the geographical areas of the county or municipality in which the proceeds of the tax are collected where it is practical.

SECTION 6-4-15. Use of revenues to finance bonds.

A municipality or county may issue bonds, enter into other financial obligations, or create reserves to secure obligations to finance all or a portion of the cost of constructing facilities for civic activities, the arts, and cultural events which fulfill the purpose of this chapter. The annual debt service of indebtedness incurred to finance the facilities or lease payments for the use of the facilities may be provided from the funds received by a municipality or county from the accommodations tax in an amount not to exceed the amount received by the municipality or county after deduction of the accommodations tax funds dedicated to the general fund and the advertising and promotion fund. However, none of the revenue received by a municipality or county from the accommodations tax may be used to retire outstanding bonded indebtedness unless accommodations tax revenue was obligated for that purpose when the debt was incurred.

SECTION 6-4-20. Administration account established; State Treasurer’s duties; distribution of account revenues; exceptions to tourism spending mandate.

(A) An accommodations tax account is created to be administered by the State Treasurer.

(B) At the end of each fiscal year and before August first a percentage, to be determined by the State Treasurer, must be withheld from those county areas collecting four hundred thousand dollars or more from that amount which exceeds four hundred thousand dollars from the tax authorized by Section 12-36-2630(3), and that amount must be distributed to assure that each county area receives a minimum of fifty thousand dollars. The amount withheld from those county areas collecting four hundred thousand dollars or more must be apportioned among the municipalities and the county in the same proportion as those units received quarterly remittances in Section 12-36-2630(3). If the total statewide collections from the local accommodations tax exceeds the statewide collections for the preceding fiscal year then this fifty thousand dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. The difference between the fifty thousand dollars minimum and the actual collections within a county area must be distributed to the eligible units within the county area based on population as determined by the most recent United States census.

(C) At the end of each fiscal year and before August first, the State Treasurer shall distribute to each county area collecting more than fifty thousand dollars but less than four hundred thousand dollars an additional fifteen thousand dollars. If the total statewide collections from the local accommodations tax exceed the statewide collections for the preceding fiscal year, this fifteen thousand dollar figure must be increased by a percentage equal to seventy-five percent of the statewide percentage increase in statewide collections for the preceding fiscal year. This amount must be distributed in the same manner as the fifty thousand dollars in subsection (B). The amount paid those qualified county areas under this subsection must be paid from the account created under this section.

(D) The amount withheld in excess must be distributed to the county areas whose collections exceed four hundred thousand dollars based on the ratio of the funds available to the collections by each county area.

(E) The accommodations tax funds received by a municipality or county in county areas collecting fifty thousand dollars or less are not subject to the tourism-related provisions of this chapter.

(F) Two percent of the local accommodations tax levied pursuant to Section 12-36-2630(3) must be remitted quarterly and equally to the eleven agencies designated by law and regional organizations to administer multi-county tourism programs in the state tourism regions as identified in the promotional publications of the South Carolina Department of Parks, Recreation and Tourism. This remittance is in addition to other funds that may be allocated to the agencies by local governments.

(G) The State Treasurer may correct misallocations to counties and municipalities from accommodations tax revenues by adjusting subsequent allocations, but these adjustments may be made only in allocations made in the same fiscal year as the misallocation.

SECTION 6-4-25. Advisory Committee; guidelines for expenditures; annual reports; reports to Accommodations Tax Oversight Committee.

(A) A municipality or county receiving more than fifty thousand dollars in revenue from the accommodations tax in county areas collecting more than fifty thousand dollars shall appoint an advisory committee to make recommendations on the expenditure of revenue generated from the accommodations tax. The advisory committee consists of seven members with a majority being selected from the hospitality industry of the municipality or county receiving the revenue. At least two of the hospitality industry members must be from the lodging industry where applicable. One member shall represent the cultural organizations of the municipality or county receiving the revenue. For county advisory committees, members shall represent the geographic area where the majority of the revenue is derived. However, if a county which receives more in distributions of accommodations taxes than it collects in accommodations taxes, the membership of its advisory committee must be representative of all areas of the county with a majority of the membership coming from no one area.

(B) A municipality or county and its advisory committee shall adopt guidelines to fit the needs and time schedules of the area. The guidelines must include the requirements for applications for funds

from the special fund used for tourism-related expenditures. A recipient's application must be reviewed by an advisory committee before it receives funds from a county or municipality.

(C) Advisory committees shall submit written recommendations to a municipality or county at least once annually. The recommendations must be considered by the municipality or county in conjunction with the requirements of this chapter.

(D) Municipalities and counties annually shall submit to the South Carolina Accommodations Tax Oversight Committee:

(1) end-of-the-year report detailing advisory committee accommodations tax recommendations;

(2) municipality's or county's action following the recommendations;

(3) list of how funds from the accommodations tax are spent, except for the first twenty-five thousand dollars and five percent of the balance in Section 6-4-10(2) allocated to the general fund. The list is due before October first and must include funds received and dispersed during the previous fiscal year;

(4) list of advisory committee members noting the chairman, business address if applicable, and representation of the hospitality industry including the lodging industry and cultural interests.

(E) The regional tourism agencies in Section 6-4-20 annually shall submit reports on their budgets and annual expenditure of accommodations tax funds pursuant to this chapter to the Accommodations Tax Oversight Committee.

SECTION 6-4-30. Repealed by 2003 Act No. 96, Section 3.MM, eff June 18, 2003.

SECTION 6-4-35. Tourism Expenditure Review Committee.

(A) There is established the Tourism Expenditure Review Committee consisting of eleven members as follows:

(1) one member appointed by the Speaker of the House;

(2) one member appointed by the President Pro Tempore of the Senate;

(3) the Director of the South Carolina Department of Parks, Recreation and Tourism, or his designee, ex officio;

(4) eight members appointed by the Governor as follows:

(a) one member on the recommendation of the South Carolina Association of Tourism Regions;

(b) one member on the recommendation of the South Carolina Association of Convention and Visitors Bureaus;

(c) one member on the recommendation of the South Carolina Travel and Tourism Coalition;

(d) one member on the recommendation of the Municipal Association of South Carolina;

(e) one member on the recommendation of the South Carolina Association of Counties;

(f) one member on the recommendation of the Hospitality Association of South Carolina;

(g) one member on the recommendation of the South Carolina Arts Commission; and

(h) one member at large.

Appointed members shall serve for terms of four years and until their successors are appointed and qualify, except that of those first appointed by the Governor, four shall serve for a term of two years and the term must be noted on the appointment. Regardless of the date of appointment, all terms expire July first of the applicable year. Members shall serve without compensation but may receive the mileage, subsistence, and per diem allowed by law for members of state boards, committees, and commissions. Vacancies must be filled in the manner of original appointment for the unexpired portion of the term.

(B)(1)(a) The Tourism Expenditure Review Committee shall serve as the oversight authority on all questionable tourism-related expenditures and to that end, all reports filed pursuant to Section 6-4-25(D)(3) must be forwarded to the committee for review to determine if they are in compliance with this chapter. The municipality or county must be notified if an expenditure is questioned, and the

committee may consider any further supporting information the municipality or county may provide. If the committee finds an expenditure to be in noncompliance, it shall certify the noncompliance to the State Treasurer, who shall withhold the amount of the expenditure found in noncompliance from subsequent distributions in accommodations tax revenue otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(b) If the committee determines that a municipality or county has failed to file the reports required pursuant to Section 6-4-25(D)(3), it may impose a fee of five hundred dollars a month or part of a month for each month the report is not filed, but not more than five thousand dollars. The committee shall certify the penalty to the State Treasurer, who shall withhold the amount of the penalty from subsequent distributions otherwise due the municipality or county. An appeal from an action of the committee under this subitem lies with the Administrative Law Judge Division.

(c) Allocations withheld must be reallocated proportionately to all other recipients.

(2) The committee has jurisdiction to investigate and research facts on written complaints submitted to it with regard to the appropriate tourism-related expenditures and resolve these complaints as provided in item (1) of this subsection.

(3) The committee shall forward copies of information submitted by the local governments and regional tourism agencies pursuant to Section 6-4-25 arising under the tourism provisions of this chapter to the Department of Parks, Recreation and Tourism, which shall publish an annual report on the information submitted.

Rev. 8/06

ACCOMMODATIONS TAX ADVISORY COMMITTEE
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

ACCOMMODATIONS TAX FUNDS REQUEST APPLICATION

For Office Use Only		
Date Received:	Time Received:	By:

(Applications will not be accepted if submitted after 3:00 P.M. on October 4, 2006)

Date: _____ Total Project Cost: _____ Total Amount Requested: _____

SUBMIT 15 COMPLETE COPIES OF APPLICATION

ANSWERS MUST BE TYPEWRITTEN

A. PROJECT NAME: _____

B. ORGANIZATION: _____
MUST BE A NOT-FOR-PROFIT ENTITY

Sponsor Name: _____ Title: _____

Sponsor Address: _____

Sponsor Phone: _____

Contact Name: _____ Title: _____

Contact Address: _____

Contact Phone: _____

C. DESCRIPTION OF PROJECT:

1. General description.

2. If arts/cultural activity, give specific description of project (attach additional sheets, if needed).

3. Impact on or benefit to tourism (if required under the law).

4. Duration of project. Starting date: _____ Completion: _____

5. Permits required (if any).

6. Additional comments.

D. FUNDING:

1. Source of funds.

2. Have you requested funding from other sources or organizations for this project?

Yes _____

No _____

If so, please list sources and amounts.

_____ \$ _____

_____ \$ _____

_____ \$ _____

3. Contributions to the project by the sponsoring organization:

_____ \$ _____

E. FINANCIAL INFORMATION (ADHERE TO STRICTLY):

1. A line-item budget of the project.

2. Most recent fiscal year balance sheet and profit and loss accounting statement.

F. FINANCIAL GUARANTEES:

1. Provide of a copy of official minutes wherein the sponsoring organization approves the project and commits the organization to financial responsibility for carrying it out to the stage of completion contemplated in the application, should funding be approved.

G. PRIOR RECIPIENT'S REPORT (If you received prior ATAC funds): (Attach additional sheets, if needed):

1. How did you use the funds?
2. What impact did this have on the community or benefit tourism?
3. Provide the previous two years and current year budgets.
4. Include the **total annual funding** received each year that you applied.

H. ADDITIONAL COMMENTS: (Attach additional sheets, if needed):

Signature

APPLICATION FINAL CHECKLIST

(Complete and return this list with the application)

- ❑ The application is being filed by the **October 4, 2006, 3:00 PM** deadline.
- ❑ We have reviewed and followed the application guidelines.
- ❑ We have attached a Board Resolution.
- ❑ There is a title page giving the information outlined in paragraph D page 4.
- ❑ We are submitting 15 complete copies of the application.
- ❑ We will be prepared to make a verbal presentation to the Committee and answer questions when we are scheduled to do so.
- ❑ **We did not bind the application (NO BOOKS or BINDERS).**

ACCOMMODATIONS TAX ADVISORY COMMITTEE

Meets Sporadically

NAME & ADDRESS	PHONE	TERM EXPIRATION
Robert J. Arundell, Chairman At-Large P. O. Box 6067 HHI, SC 29938-6067	W: 785-8040 H: 681-8502 F: 785-3506 e-mail: bob@mhalawfirm.com	June 30, 2008 (5/05-6/08)
John F. Curry, Vice-Chairman Lodging P.O. Box 7197 10 Office Park Road #218 HHI, SC 29938 Sapaelo Building	H: 671-4297 W: 785-9217 F: 785-2650 e-mail: curryco@hargray.com	June 30, 2007 (7/00 - 6/01) (7/01-6/04) (7/04 – 6/07)
Willis O. Shay At-Large 9 Sussex Lane HHI, SC 29926	H: 681-5435 e-mail: willis925@aol.com	June 30, 2009 (7/05-6/06) (07/06-06/09)
Louise Miller Cohen Hospitality 3 Farmers Club Road HHI, SC 29926	H: 681-3254 C: 384-0603 F: 681-3354 e-mail: hhistoryteller@aol.com	June 30, 2007 (7/04-6/07)
Michael A. Keskin Lodging 13 Wild Laurel Lane HHI, SC 29926	H: 689-3723 F: 689-3723 C: 247-4315 e-mail: joandmak@aol.com	June 30, 2008 (5/04-6/05) (7/05-6/08)
Heather Rath Hospitality 24 Bellhaven Way HHI, SC 29928	H: 301-1122 e-mail: heatherrath@yahoo.com	June 30, 2009 (07/06-06/09)
John Diamond Arts 16 Kings Tree Road HHI, SC 29928	H: 686-5410 e-mail: jdiawdtrnr@aol.com	June 30, 2009 (07/06-06/09)
Staff Support: Vicki Pfannenschmidt W: 341-4700 F: 842-7728 e-mail: vickip@hiltonheadislandsc.gov		

NOTICE

ACCOMMODATIONS TAX ADVISORY COMMITTEE

will hold a workshop
September 18, 2006 in
Council Chambers at
10:00 a.m.

The purpose of this workshop is to assist potential
applicants with completing the applications for
Accommodations Tax Funds

NOTE: A Town Council quorum may result in the event four or more Council members attend this meeting.

2007 ACCOMMODATIONS TAX ADVISORY COMMITTEE

MEETING SCHEDULE **(subject to change in emergency situations)**

August 28, 2006 at 8:30 a.m. Town Hall Reception Desk	Applications available at Town Hall or e-mail vickip@hiltonheadislandsc.gov to request an application via e-mail.
September 18, 2006 at 10:00 a.m. Council Chambers	Application Workshop
October 4, 2006 at 3:00 p.m.	Filing deadline for applications
October 12, 2006 at 9:00 a.m. Conference Room 4, Town Hall	Preliminary review
November 20, 2006 at 9:00 a.m. – 5:00 p.m. Council Chambers	Applicant hearings
November 21, 2006 at 9:00 a.m. – 3:00 p.m. Council Chambers	Applicant hearings
November 22, 2006 at 9:00 a.m. – 3:00 p.m. Council Chambers	Applicant hearings
November 29, 2006 at 9:00 a.m. – 12:00 p.m. Council Chambers	Recommendations
January, 2007	Recommendations presented to Town Council at special meeting